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MEMORANDUM OF CONVERSATION

PARTICIPANTS

John Holdridge  
Alfred LeS. Jenkins  
Hsiung Hsiang-hui

HL  
EXEMPTION CATEGORY 1  
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TIME AND PLACE

Friday, October 22, 1977; 4:10 - 5:37 p.m.  
Great Hall of the People

SUBJECT:

Exchanges and Trade

Hsiung: Yesterday morning we had a meeting which has been carried out in accordance with procedures agreed upon by Premier Chou En-lai and Dr. Kissinger. And to speak frankly, I didn't expect what kind of questions the United States side put forward before the meeting. But you have made very good preparations.

Holdridge: All very tentative.

Hsiung: And only during the course of our exchanges of views have I come to realize the nature and contents of the questions you have put forward. That is why yesterday morning I mainly listened to what you have got to say. And in the course of our talk I made a very brief clarification. That is to say both Mr. Jenkins and Mr. Holdridge must be very familiar with the whole process of the Sino-United States talks so far as the consistent stand of China. And there is much content in this sentence. I think both of you will understand it. And after the meeting I joined another meeting in the afternoon and in the evening we also attended the performances and in the morning we went on an excursion to the Great Wall. So to speak frankly I haven't read over the list you handed over to us. Because we haven't got enough time.

Jenkins: We fully understand. You have been so gracious in affording us so pleasant and profitable a time, we fully understand.

Hsiung: So we are not in the same circumstances. So I would like to say a few words about my preliminary ideas. Of course, we will report our respective preliminary ideas to our respective leaders.

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2.

Jenkins: Certainly.

Hsiung: And of course eventually it will be solved by Premier Chou En-lai and Dr. Kissinger: this is just for exchange of views.

Jenkins: I think that would be very useful.

Hsiung: It's not a decision, just an exchange of ideas.

Jenkins: I understand.

Hsiung: Yesterday, Mr. Holdridge had raised some points on the contacts between China and the United States. I haven't got a note here; this is a translation of your proposals.

Holdridge: It looks far more concrete in the form that you have it there than in the way that I presented it.

Hsiung: That's the Chinese characters. The way they print it gives you the impression.

Holdridge: You must assume that the way we talked about it yesterday was very informal.

Hsiung: Just an exchange of views.

Holdridge: Yes.

Hsiung: So what I am going to touch on is first of all the questions of the contacts between China and the United States as was mentioned yesterday by Mr. Holdridge. And yesterday Mr. Holdridge also mentioned that there had already been established effective contacts between Premier Chou En-lai and President Nixon so I am not going to talk at length on this point. Of course, it goes without saying such contacts will go on. And in addition to that Mr. Holdridge had made three suggestions for the consideration of the Chinese side. Because I haven't brought the note with me, if I don't speak very accurately please correct me. The first point is to establish, on the basis of reciprocity, a liaison office by both sides.

Holdridge: May I make one statement here? We said reciprocity if the Chinese government is interested in reciprocity.

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Hsiung: Of course I mentioned just now your suggestions are for the consideration of the Chinese side. So it's all right if I didn't mention that point. We think this is not realistic. It is quite obvious there is a so-called embassy of the Chiang Kai-shek clique in Washington. And as regards this, we haven't \_\_\_\_\_ to the United States. If any situation of two Chinas occurs then it is utterly unacceptable to us. That is if there is a so-called Kuomintang Embassy in Washington and at the same time there is a so-called kind of liaison organization whether official or non-official of the Peoples Republic of China in Washington. And it goes without saying it is not appropriate. And we are not willing to put the United States side in an embarrassing state and wish the United States side will also not put us in an embarrassing state. That is why I say that as for the first point, it is not feasible.

As for the second suggestion, it is to establish a section in a friendly embassy on both sides. And on this there is some sort of similarity between this point and the last suggestion. We are used to doing things in a frank and open way.

Jenkins: That we welcome.

Hsiung: I don't mean to make any criticism of U.S. representation at missions in the Middle East, but that's not our practice. That's why the second suggestion is also not feasible. As for the sort of suggestion about the sending of sort of technical personnel to deal with administrative questions before or during or after the visits of senior representatives of President Nixon or Dr. Kissinger either from Hong Kong or from Washington. As for this point, we think it can be considered. \_\_\_\_\_ in July Dr. Kissinger came here to China and this time he has come again and with even a larger party. And the period for your stay is for you to decide. Of course, it is impossible for you to stay for a longer time. Because Dr. Kissinger has told me that he is going to leave on the 25th. So shall we put this question on a more realistic basis. So from the 25th of this month when Dr. Kissinger and his colleagues are leaving China to the date of President Nixon's visit to China there is still quite a few months, about four or five months. Plus, the final date is not yet known, for during this period of time the United States side thinks it is necessary to send some people here to China we think it can be taken into consideration. If there is some other preparatory work to be done in that case, this can be realized through the channels mentioned by Mr. Holdridge yesterday. As to who will come or how many of them will come, and how long they are going to stay, it can be consulted and agreed upon through the channels which already exist. But we think it is better and more effective to send a representative right from Washington. As for the function of the personnel and Hong Kong, I am sure that both you and they in Hong Kong are very clear about the function of them. It's a very big consulate. If they came here, it will affect their

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function in Hong Kong. So we think in that case it will be more effective to send representatives right from Washington although they only deal with administrative work, but it is more effective to send them right from Washington, the personnel, not the senior representatives, but the personnel. It is more realistic to have them during the period after Dr. Kissinger's interim visit and before President Nixon's visit to China. As for the contacts after President Nixon's visit to China, we can leave it to them to decide. What would you think of such an idea?

Holdridge: Certainly this is something we want to consider and discuss with Dr. Kissinger, and we appreciate the receptivity of the Peoples Republic of China.

Hsiung: What is your opinion?

Holdridge: I think that certainly my contacts . . . I think this will be beneficial and be helpful to others who come of higher rank, to have this assistance on the groundwork so to speak. This of course is my personal opinion.

Hsiung: What I was referring to is the period after Dr. Kissinger's interim visit to President Nixon's visit to China.

Holdridge: I don't believe Dr. Kissinger has yet formed any particular idea on what type of contact or further conversations we should have in that period. At this point I am not in a position to comment any further. At this point it will depend on what Dr. Kissinger and Chou En-lai should discuss.

Hsiung: Because this is the third suggestion you made yesterday, so that's what I have considered because I have put it on a more realistic basis.

Holdridge: I do recall offering to receive any suggestions from the People's Republic of China and wonder if your side has any suggestions to make going beyond what I said yesterday.

Hsiung: I think as for this point it is in conformity with the point put forward by Premier Chou En-lai last July.

Holdridge: Fine, I have nothing further to say then.

Hsiung: Now, the second question. That is the question put forward by Mr. Jenkins. That is the proposal on the exchanges of scientific, technical and cultural and so forth. I think altogether there are 25 proposals.

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Jenkins: May I say these were very illustrative, and we didn't have any idea we'd want to consider them as a package, but simply to start our thinking going.

Hsiung: Last time you mentioned three proposals orally; as for the written list, it consists of 25. Of course last time you did mention the three suggestions were just illustrative. My idea is like this: The Chinese and the American peoples have long been friendly to each other, and owing to reasons not because of the Chinese side, for the last 2-1/2 years, and more, the exchanges between the two countries have been cut off. A new page has been opened after the visits of the American table tennis team to China in last April. Of course, before that there were a few American friends who have come to China, say Mr. \_\_\_\_\_. And after the visit of the table tennis team from the United States there has been an increasing number of the American friends who have come to China for visits and many of them include correspondents. Of course, there were also correspondents who came with the table tennis players and after their visit there have been a number of correspondents who have come and also tourists and scientists and so on. That's why in his toast at the banquet Premier Chou En-lai also mentioned that the contacts between the Chinese and American people are bound to develop. I think you are also clear on this point. But so far, its' American friends and American people who have come to China. And from April up to now it's one-way traffic. And of course, the American Table Tennis Association also has invited the Chinese Table Tennis Association to visit the United States. And our Chinese Table Tennis Association is most thankful to the American Table Tennis Association. And we have also noticed that in last August the Chiang Kai-shek clique had also sent its table tennis team to the United States and they visited many cities. They visited more than 20 cities and finally they arrived in Washington. And we are very thankful to the American Table Tennis Association who refused to play with them. They refused to have any matches with the Chiang Kai-shek table tennis team.

Jenkins: I recall that.

Hsiung: There were still people who, although not members of the Table Tennis Association, they did play with the Chiang Kai-shek table tennis team. I cite this question just to illustrate that there is a political factor to the question of contacts.

Holdridge: May I say something here? This brings up precisely the point we were making yesterday. There are those in the United States who are very critical of the policy established by President Nixon, doing their best to interfere with the normalization of relations and this is an illustration.

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This visit of the table tennis team from Taiwan was arranged by the groups critical of the President's policy, and the United States Government had nothing to do with the visit of the group from Taiwan.

Hsiung: I would like to make two points of comment on this. Firstly, we would not like to put the United States in an embarrassing state, nor do we wish that the United States will put us in an embarrassing state. If we have to take into consideration that aspect of the picture, why didn't you take into consideration this side of the picture? And the second point is to say the United States Government has nothing to do with the invitation of the Chiang Kai-shek table tennis team is only to speak of the picture. We have all engaged in diplomatic work. First of all, you have to give them a visa, and a visa doesn't come from non-governmental organizations, and prior to that it is clearly written in United States passports they are not permitted to come to the People's Republic of China.

Holdridge: I don't understand.

Hsiung: In your American passports.

Holdridge: That's incorrect. Since 15 March, there are not more restrictions

Hsiung: Prior to that.

Holdridge: What we should talk about now is not the past but the future.

Hsiung: I was just making comments on the fact that you mention your government has nothing to do with invitation of the Chiang Kai-shek table tennis clique to the United States. Because prior to that your government has laid down rules to which countries they are allowed to issue passports for U.S. citizens. And for the people of other countries to go to the United States, they have got to get visas from the U.S. side. Without visas, how could they go to the United States? Who would issue the visas, and also as to when to issue the visas, it is up to the United States government organizations to decide. If the Chinese Table Tennis Team also went to the United States in August then in that way they would have been put in a more embarrassing position. The State Department \_\_\_\_\_ refused to issue visas to the Chiang Kai-shek team.

Holdridge: But this was a private arrangement, and for the government to do that would have been a distinct political act.

Hsiung: This is a political act?

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Holdridge: Not to act is a political act.

Hsiung: This is a political question. Whether you issue the visa or not is a political question. You can't ignore this point. Whether this side or that side, it is always a political consideration. That's why I said in these circumstances as for your suggestions as to exchange between the two countries it would be impossible to be conducted on a governmental basis. That is to say, subsidiary questions have to be subordinated to the fundamental questions. This is our consistent fundamental stand in the Sino-U.S. ambassadorial talks in Warsaw.

Of course, after the publication of the announcement, after Dr. Kissinger's July visit to China, it is clearly stated in the announcement that we are seeking the normalization of the relations between the two countries. President Nixon's visit is to seek the normalization of the relations between the two countries. So in these circumstances it can be considered that the cultural, scientific and technical exchanges can be conducted on a private basis, but it can't be too much because up to now the relations between our two countries have not been normalized. There is still the Taiwan question. So it can be considered to conduct exchanges on a non-governmental basis, but there cannot be too much of this. What I referred to as exchanges, as for exchanges or visits between the two peoples, as Premier Chou En-lai has mentioned, this is bound to develop. As to which proposals out of these 25 proposals can be conducted in either the present or the near future, these can be discussed. And generally speaking, this kind of exchanges will be put on a non-governmental basis and there can be not too many of them. That is my preliminary idea.

Jenkins: It is perfectly agreeable to us that these exchanges be on a non-governmental basis, and we think that it is reasonable that progress in this area be step-by-step. I think that our leaders have both expressed the idea that an eventual increase in such things is virtually inevitable, and this is something we can look forward to in the future if things go well in the interim. I think it is acceptable for there to be a somewhat modest beginning, but the important thing is that there be a beginning.

Hsiung: Such exchanges can be realized, but as for whether it will be mentioned in the joint communique after the visit made by President Nixon, that is the joint communique issued during President Nixon's visit this is not up to me (if there is any communique). This is another matter. It is up to Premier Chou En-lai and Dr. Kissinger to consider it.

Jenkins: Yes, we agree.

Hsiung: So what I have mentioned and whether the joint communique should refer to this is two matters.

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Jenkins: Yes, I understand that. We agree. I want to emphasize that this rather large package of illustrative suggestions is by no means exclusive. Any idea you have that is not in this we would, of course, be very interested in considering also.

Hsiung: What I have said just now, when you handed over this list I haven't thought it over before that. I don't know whether our comrade from the Foreign Ministry has thought it over or not.

\_\_\_\_\_ : Then I will consider it.

Hsiung: But when our Foreign Ministry is going to explain this to the departments concerned, they have to provide some sort of information to them to \_\_\_\_\_ further exploration.

Jenkins: I think the proposals as we gave them are about as detailed as we can go into now, because they cover so many fields that none of us are real specialists in these fields, and I think we need to come to some general agreement as to where we are going in the field and then we can prepare more detailed studies on any of these items which we find to be of mutual interest. I think when you have time and an opportunity to study what we have given you that you will find we have indicated fairly clearly what types of steps we are prepared to take in general and in most instances we have indicated the type of organization in the United States which we think would be primarily concerned with them. But that is not fixed either. We can describe to you the facilities and types of experience which these organizations have which might be of interest to you and then move on from there on which \_\_\_\_\_ you might wish to follow up on.

Hsiung: According to your concept, your ideas, would such kind of contacts be carried out by the method of direct contact between non-government organizations on our side and in your country, or by the government.

Jenkins: Either way is satisfactory to us. I think it would be a little easier if the government were in the picture, because as I mentioned earlier of the multi-faceted nature of this many types of athletic, cultural and scientific associations we have. But it is also perfectly acceptable to us to \_\_\_\_\_. If that is done you may wish to consult with us concerning the facilities, reputation, etc. of these organizations to better understand what they would be able to do and perhaps what they would not be able to do.

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Hsiung: Because these proposals were put forward by your side, that is why I think I would like to clarify some points. To make clear some of the points which I can conceive at the moment. So it's not a matter of suggestions put forward by our side which are satisfactory to you. I just want to make clear on certain points. Just now you said it would be better to have the government in the picture. What organizations do you refer to?

Jenkins: I am saying it would probably be easier for us if, for instance, at least as sort of a clearing house the Communist Affairs Office of our State Department were involved. However, if you don't wish it that way it is agreeable to us. It might facilitate matters, but if for political reasons you prefer to have it not that way, that is agreeable. Or similarly, our United States Information Agency would be a normal clearing house for journalists or things of that nature, but we would not insist upon it. As a matter of fact, we can furnish you a list of names of any number of organizations in the United States which would be entirely non-governmental and if you prefer you can make your arrangements with these organizations without governmental activity on our part.

Holdridge: Other than to facilitate the issuance of visas.

Hsiung: What do you think of the prestige of the United States Information Agency in other countries?

Jenkins: I think I would rather not address that question today if you don't mind.

Hsiung: To increase our mutual understanding, I would like to ask how many sections are under your State Department.

Jenkins: In the State Department we have several bureaus. There must be six geographical bureaus in the world.

Hsiung: Bureaus?

Jenkins: Yes.

Hsiung: And secretaries?

Jenkins: There's a secretary, an under secretary, an under secretary for political affairs.

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Hsiung:

Jenkins: That's right. Then Assistant Secretaries who head bureaus. There are six geographic bureaus.

Hsiung: Would the assistant secretary also be the head of the geographic bureau?

Jenkins: That is correct. Also several functional bureaus at the same level as geographic bureaus. For instance, the Bureau of Economic Affairs, the Bureau of International Organizational Affairs which handles U.S. affairs ...

Hsiung: Cultural affairs?

Jenkins: Bureau of Cultural Affairs.

Hsiung: How many bureaus are there altogether?

Jenkins: I would guess ten, maybe twelve, but I would say ten.

Holdridge: We would have to count up.

Jenkins: Approximately ten.

Hsiung: Including the functional bureaus?

Jenkins: Yes.

Hsiung: Six geographic bureaus?

Jenkins: Yes.

Hsiung: Which bureau are you in?

Jenkins: East Asia and Pacific Affairs

Hsiung: How many areas are included?

Jenkins: From Japan all the way down through Indochina, Southeast Asia, China through Burma. It stops there.

Hsiung: Australia?

Jenkins: Yes, Australia and New Zealand. (Lists countries)

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Hsiung: East Asia and Pacific Affairs?

Jenkins: That's right.

Hsiung: There is such a bureau called Asia and Communist Affairs?

Holdridge: Not a bureau.

Jenkins: Not a bureau, it's an office. I have 11 people in my office.

Hsiung: And a desk in the office?

Jenkins: There are several officers within one office. It varies. Some officers are large; some are smaller in number of personnel. An office includes several offices.

Hsiung: That means for instance if you want to contact an Asian country aside from regional bureaus you make contacts through the cultural bureau if it is in cultural affairs and contact the economic affairs bureau if it is in economic affairs. Is this world wide?

Jenkins: Yes, but the normal point of contact for official representatives in Washington would be the geographical bureau usually. The geographical bureau then works closely with those functional bureaus.

Hsiung: I am not very familiar with this. That is why I asked. Which bureau is in charge of issuing visas? Is there a special bureau in charge of it?

Jenkins: I don't think it's called a bureau; it's an office.

Holdridge: Security and consular affairs.

Jenkins: And in that is the passport office and the visa office. I do have one other topic I would like briefly to mention before the break if that is agreeable, and Dr. Kissinger said if we finished here before the other meeting has finished he would be glad if Mr. Holdridge and I joined them in the other meeting, and we want to know if that's agreeable.

Hsiung: We can do it according to Dr. Kissinger's wish.

Jenkins: Thank you.

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Hsiung: When shall we stop?

Jenkins: Whenever we have finished what we need to do. It's not specific.

Hsiung: If that's the case then we can take some refreshments.

Jenkins: I mentioned very briefly at our previous meeting the subject of trade. I don't know to what extent you want to discuss that subject now. We are prepared to discuss it if you wish. I would like to mention one matter which Dr. Kissinger has asked me to say and that is that we are prepared to enlarge our general list of trade items to the limit of our present laws before the President's visit to China and we are prepared to do that without any conditions.

Hsiung: Personally, I am not interested in this question. This morning on the way back from the Ming Tombs as our Acting Foreign Minister was preoccupied with some other work, he said goodbye to Dr. Kissinger early so I was in the same car with Dr. Kissinger and he also mentioned that the withdrawal of the Soviet exports greatly affected China. I said that we are most grateful to Khrushchev. Because in acting that way he had enabled us to carry out Chairman Mao's policy of self-reliance even more rapidly. But first of all, we must give thanks to the United States policy of embargo. First \_\_\_\_\_ it was the United States who imposed embargo on China and then it was Khrushchev who removed Soviet exports and \_\_\_\_\_ the agreements, and it was a good thing because we don't care for such things. In this way we have developed even more rapidly.

Jenkins: We certainly respect self-reliance, and we understand your feelings on that score. We feel that even though the United States too is able to be self-reliant, we would profit too from mutual trade with others quite apart from the ability to be self-reliant. And we feel this area also leads to increased understanding between peoples, and to the further enhancing of their economic status and the livelihood of their people. But we fully understand your justifiable pride in self-reliance and we respect that attitude.

Hsiung: While saying self-reliant, we also have trade relations with many countries on the basis of \_\_\_\_\_ and mutual benefit and supplying each other what it needs. But as for Sino-U. S. trade, at present conditions are not yet right. That is my opinion; that is why I am not interested in this question.

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Jenkins: We will not press it. I had mentioned it as another possible area to supplement exchanges we have spoken of and I would like to say again that we consider whatever you are ready to discuss in these areas as contributing to making movement possible in the fundamental issues. We would not want to use these terms "subsidiary" questions as any diversion from facing the fundamental questions, but it makes it easier for us to approach normalization of relations if we can show our detractors from our present policy that tangible progress is possible without conditions attached to it.

Hsiung: But the normalization of the Sino-American relations is conditional.

Jenkins: Would Mr. Hsiung enlarge on that comment?

Hsiung: That means the normalization of relations between the countries cannot be carried out without conditions.

Jenkins: I understand what you mean, and our principals are talking about the fundamental issues.

Hsiung: That is why before the normalization of relations between the two countries is realized many matters have to be handled in the circumstances when our relations have not yet been normalized.

Jenkins: We understand that.

Hsiung: Out of courteous reasons we are ready to listen to whatever ideas you would like to put forward, but as to the question of trade, I am not interested. But you can put forward your ideas.

Jenkins: Of course it makes it difficult to express any specific proposals if we are told there is no interest. I would not like to press this matter.

Hsiung: What I mean is if you have any ideas you can put them forward and if not then it is not necessary for you to speak.

Jenkins: We could offer ideas if there were interest expressed in them but I am not sure it would be fruitful if there is no interest in the subject.

Hsiung: It is not necessary that everything will be fruitful. We can exchange views and exchange our ideas. I am willing to listen.

Jenkins: I think perhaps we can address this letter.

Hsiung: We will break now then.

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Jenkins: (To Holdridge) Break or end?

Holdridge: If Mr. Hsiung has nothing further to bring up, we don't either.

Hsiung: You are going to join in the other talks? He is going to contact them.

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